

Notice of Violation

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 12/13/2017

License #/Type: 10050 / Retail Marijuana Store

Licensee: Rainforest Farms, LLC

Address: 216 2nd Street, Juneau, AK 99801

DBA: Rainforest Farms

AMCO Case #: AB17000715

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

3 AAC 306.330. Marijuana inventory tracking system:

(c) A retail marijuana store shall reconcile each transaction from the retail marijuana store's point-of-sale system and current inventory to its marijuana inventory tracking system at the close of business each day.

On July 28, 2017 AMCO sent notice to all METRC Administrators describing the change in reporting from daily package sales reporting to sales receipt reporting (see attached).

It has been found Rainforest Farms, LLC has not changed over to such reporting and therefore has violated this regulation for 111 days.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office

ATTN: Enforcement

550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: S. Johnson

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Mail

Date:

Hamilton, Joe (CED)

From: James Barrett <rainforestjames@gmail.com>
Sent: Tuesday, December 26, 2017 3:45 PM
To: CED AMCO Enforcement (CED sponsored)
Subject: Rainforest Farms, LLC 10050 Violation Response
Attachments: LETTER TO DIRECTOR Change in METRC reporting.pdf

AMCO,

It has come to our attention that in the view of AMCO enforcement, we have not been accounting for our daily sales properly.

This issue first started in July and was thought to have been resolved months ago. After AMCO sent out "Metrc Support Bulletin" dated 7/28/2017, from METRC Support, clarifying how to report sales, we had contacted the Director about this and didn't receive much of a response (see attached letter). We knew the Director was very busy these days so we then decided to take it upon ourselves to purchase Greenbits POS system. This costs us around \$5000 per year and an additional \$500 per month for METRC reporting. Because Greenbits claims to be the "only METRC compliant POS in Alaska", we went ahead and spent thousands only to find that the system did not work with our store. Despite our best efforts, we took a huge loss. We then decided to revert back to our original POS -Square POS - and it has worked perfectly. It provides us with accurate - and required - reporting.

WHAT HAPPENED: Because METRC was accepting our daily sales as they were being recorded, it was assumed that it was being done properly. Unbeknownst to us and with best intentions to report correctly, it turns out that reporting was not done properly. We had tried to communicate to the Director about this issue and were told that we were fine reporting the way we were and so we just kept doing business as usual thinking we were reporting correctly. (please see attached correspondence).

RESOLUTION: We found that the reporting error was due to inconsistencies in METRC reporting and our POS software. Our point of sale software was unable to provide proper .csv files in the correct format for METRC daily uploads and so we had created an excel template that creates the proper .csv in the format requested per the Metrc Support Bulletin dated 7/28/2017 from METRC Support.

At the time of receiving the letter of violation (December 13, 2017), we were unaware that we were not compliant with state regulations and have since made changes to our daily sales reporting to correct any possible errors. Furthermore, after reading the violation letter, we had immediately taken steps to resolve the error and have been compliant since.

This problem has been resolved and all reporting is now accurate, compliant, and complete. our reporting is now compliant with 3 AAC 306.330.

Please let us know if this is a satisfactory resolution to the notice of violation. It is our goal to remain compliant and work with AMCO however we can to resolve any issues.

Sincerely,
James Barrett
Rainforest Farms, LLC
907-957-4751

Change in METRC reporting

5 messages

Rainforest James <rainforestjames@gmail.com>
To: Erika B McConnell <erika.mcconnell@alaska.gov>

Mon, Aug 7, 2017 at 4:57 PM

Director,

The changes mentioned in the attached document raise concern for me.

This change presents a potential conflict of interest. The company GreenBits has been pushing its products on retailers in Alaska and claims to be the only company that can provide daily reporting services. This puts us in a position where we MUST buy from Greenbits in order to be compliant.

We keep daily records of sales and all transactions, however, METRC does not allow for any way to easily import daily sales other than buying Green bits POS.

Upon our initial inspection with AMCO officials, our POS was satisfactory and met all regulatory requirements. This change puts an incredibly financial burden on our business.

I feel we should be able to at least upload pdfs or other formats that our current POS already uses. There must be a way to use our current POS software and avoid Greenbits monopoly on the POS business.

I feel that Greenbits pushed for this regulation change and puts economic hardship on our business. Greenbits even advertises on its website as "the only POS fully integrated with METRC in Alaska" (see attached.).

The lowest price for Greenbits is \$3500 plus \$500 per month for "daily record entry". That's \$9500 per year for Greenbits POS station. We have already spent thousands into our current Square POS.

Basically, we now have to try to afford this software in order to be compliant. We can't afford this type of expense.

I feel like METRC and GreenBits work together. In fact, they have to work together in order for the two softwares to mesh.

Is there anything that can be done about this? Our system of reporting is already compliant and very accurate. We have on record every transaction made to date including date, time, METRC product and so forth.

Anything you can do to clarify this will help. I will be in Anchorage on Wednesday if you like to meet in person.


Thanks,

James Barrett
Rainforest Farms

2 attachments



image1.PNG
309K

 AK-IB_001_072817_V1.pdf
287K

Rainforest James <rainforestjames@gmail.com>
To: Erika B McConnell <erika.mcconnell@alaska.gov>

Thu, Aug 17, 2017 at 8:38 AM

Still awaiting a response. Thanks,

James

[Quoted text hidden]

> <AK-IB_001_072817_V1.pdf>

> <image1.PNG>

>
>

Rainforest James <rainforestjames@gmail.com>
To: Erika B McConnell <erika.mcconnell@alaska.gov>

Thu, Aug 17, 2017 at 9:11 AM

Director,

After more thought, I have decided to retract my last two emails requesting clarification on this matter.

We will be using this system to comply with METRC as required by regulation.

I apologize for any inconvenience.

Thanks again,

James Barrett
[Quoted text hidden]

McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>
To: Rainforest James <rainforestjames@gmail.com>

Thu, Aug 17, 2017 at 9:39 AM

Thanks!

Erika McConnell
Director
Alcohol & Marijuana Control Office
State of Alaska
[Quoted text hidden]

McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>
To: Rainforest James <rainforestjames@gmail.com>
Cc: "Hoelscher, James C (CED)" <james.hoelscher@alaska.gov>

Thu, Aug 17, 2017 at 9:41 AM

Hi Mr. Barrett,

My apologies for not responding more promptly. I want to assure you that the actions taken by AMCO and Franwell have not been taken with any particular other company or system in mind. It is my understanding that there are multiple POS systems that can produce the required reporting.

Thank you,
Erika McConnell

Erika McConnell
Director
Alcohol & Marijuana Control Office
State of Alaska

—Original Message—
From: Rainforest James [mailto:rainforestjames@gmail.com]
Sent: Thursday, August 17, 2017 9:12 AM
To: McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>
Subject: Re: Change in METRC reporting

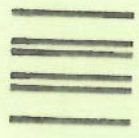
[Quoted text hidden]

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5162-2162



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10



UNITED STATES POSTAL SERVICE

• Sender: Please print your name, address, and ZIP+4® in this box•

Alcohol & Marijuana Control Office
Attn: Joe Hamilton
550 West 7th Avenue, Suite 1601
Anchorage, AK 99501

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Rainforest Farms, LLC
216 2nd Street
Juneau, AK 99801

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
[Signature]

B. Received by (Printed Name) ☐ Addressee
[Signature]

C. Date of Delivery
12/15/17

D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type

☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

Article Number
(Transfer from service label)

7012 3460 0000 2166 5162

Alcohol & Marijuana Control Office

Initiating License Application

6/20/2018 3:40:37 PM

License Number: 10050

License Status: Active-Operating

License Type: Retail Marijuana Store

Doing Business As: RAINFOREST FARMS, LLC

Business License Number: 1032787

Designated Licensee: James Barrett

Email Address: rainforestjames@gmail.com

Local Government: Juneau (City and Borough of)

Community Council:

Latitude, Longitude: 58.301300, -134.407000

Physical Address: 216 2nd Street
Juneau , AK 99801
UNITED STATES

Licensee #1

Type: Entity

Alaska Entity Number: 10025351

Alaska Entity Name: Rainforest Farms, LLC

Phone Number: 907-957-4751

Email Address: rainforestjames@gmail.com

Mailing Address: PO Box 21714
Juneau, AK 99802
UNITED STATES

Entity Official #1

Type: Individual

Name: Michael Healy

Phone Number: 907-973-2337

Email Address: michealrhealy@gmail.com

Mailing Address: PO Box 946
Skagway, AK 99840
UNITED STATES

Entity Official #2

Type: Individual

Name: James Barrett

Phone Number: 907-957-4751

Email Address: rainforestjames@gmail.com

Mailing Address: PO Box 21714
Juneau, AK 99802
UNITED STATES

Entity Official #3

Type: Individual

Name: Giono Barrett

Phone Number: 907-209-5310

Email Address: rainforestgiono@gmail.com

Mailing Address: PO Box 21714
Juneau, AK 99802
UNITED STATES

Note: No affiliates entered for this license.



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications**What is this form?**

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Rainforest Farms, LLC	License Number:	10050		
License Type:	Retail Marijuana Store				
Doing Business As:	Rainforest Farms, LLC				
Premises Address:	216 2nd Street				
City:	Juneau	State:	AK	ZIP:	99801

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Giono Barrett
Title:	Member

Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that no changes have been made, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.



I certify that a change has been or will be made to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.



If you have selected the second certification, please list any and all of the types of changes that need to be reported/requested:

--

**Form MJ-20: Renewal Application Certifications****Section 4 – Certifications****Read each line below, and then sign your initials in the box to the right of any applicable statements:**

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

GB

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

GB

I certify that a notice of violation has **not** been issued for this license.**Sign your initials to the following statement only if you are unable to certify one or more of the above statements:**

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).

GB

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

GB

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the 2018 calendar year.

GB

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

GB

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

GB

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

GB

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

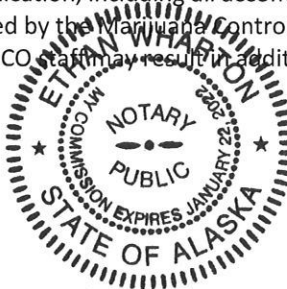
GB

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO may result in additional fees or expiration of this license.

Signature of licensee

Giono Barrett

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires:

01/22/22

Subscribed and sworn to before me this 20 day of June, 2018.

Rainforest Farms, LLC
RE: License 10050 Renewal
Explanation for Sec 4 of MJ-20
June 12, 2018

AMCO,

Sec 4 of form MJ-20 ask applicant to explain previous Notices of Violation.

License 10050 had received a NOV in 2017 for errors in reporting daily sales.

This NOV promoted action by Rainforest Farms to resolve the situation.

Rainforest Farms had responded to the NOV by writing to AMCO explaining how the error occurred and how it would be resolved.

The MCB reviewed at a board meeting our explanation and saw that it was satisfactory and took no further action.

Since the NOV was issued, applicant has fixed the error and has since complied with all reporting requirements.



Alaska Marijuana Control Board

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This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Rainforest Farms, LLC	License Number:	10050		
License Type:	Retail Marijuana Store				
Doing Business As:	Rainforest Farms, LLC				
Premises Address:	216 2nd Street				
City:	Juneau	State:	AK	ZIP:	99801

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	James Barrett
Title:	Managing Member

Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

If you have selected the second certification, please list any and all of the types of changes that need to be reported/requested:

--

**Form MJ-20: Renewal Application Certifications****Section 4 – Certifications****Read each line below, and then sign your initials in the box to the right of any applicable statements:**

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.I certify that a notice of violation has **not** been issued for this license.**Sign your initials to the following statement only if you are unable to certify one or more of the above statements:**

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).

**Read each line below, and then sign your initials in the box to the right of each statement:**

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.



I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the 2018 calendar year.



I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.



I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.



I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.



I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.



As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

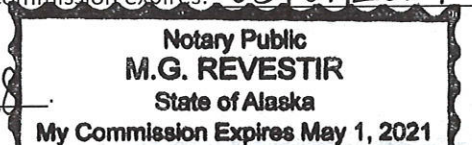
Signature of licensee

James Barrett

Printed name of licensee

Subscribed and sworn to before me this 20th day of June, 2018.

Notary Public in and for the State of Alaska

My commission expires: 06/01/2021

Rainforest Farms, LLC
RE: License 10050 Renewal
Explanation for Sec 4 of MJ-20
June 12, 2018

AMCO,

Sec 4 of form MJ-20 ask applicant to explain previous Notices of Violation.

License 10050 had received a NOV in 2017 for errors in reporting daily sales.

This NOV promoted action by Rainforest Farms to resolve the situation.

Rainforest Farms had responded to the NOV by writing to AMCO explaining how the error occurred and how it would be resolved.

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Alaska Marijuana Control Board

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Doing Business As:	Rainforest Farms, LLC				
Premises Address:	216 2nd Street				
City:	Juneau	State:	AK	ZIP:	99801

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Michael Healy
Title:	Member

Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

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Form MJ-20: Renewal Application Certifications

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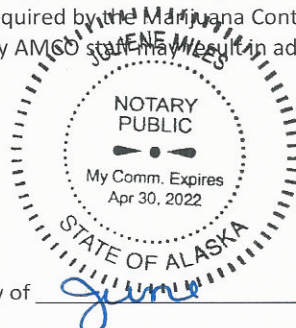


As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO shall result in additional fees or expiration of this license.

Signature of licensee

Michael Healy

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: April 30, 2022Subscribed and sworn to before me this 25 day of June, 2018.

Rainforest Farms, LLC
RE: License 10050 Renewal
Explanation for Sec 4 of MJ-20
June 12, 2018

AMCO,

Sec 4 of form MJ-20 ask applicant to explain previous Notices of Violation.

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